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TOP STORIES

Blasting the British

From Brighton to Glastonbury to Trafalgar Square, Canadian artists will take to stages across the United Kingdom this summer for "Canadian Blast in the U.K.," an initiative aimed at increasing sales and international opportunities for our homegrown talent. see page 3

Is China worth the risk?

There's a lot of hype these days about outsourcing opportunities in China. But should everyone be jumping on the bandwagon? Canadian small businesses can profit like larger ones but they need to know the risks and plan carefully. see page 2

Build it in the Middle East

Massive oil revenues and liberalization policies are fuelling unprecedented development across the Middle East. More than 2,000 projects are currently underway in the Gulf region alone and are valued at $1.4 trillion. Two Dubai trade fairs could be your ticket to this building boom. see page 4

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Don't get lost in translation

Canadian entrepreneurs know communication is the key to building successful business relationships. But working abroad in different cultures and languages adds many more complications, particularly when it comes to communicating. see page 7

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Is China worth the risk for SMEs?

Canadian small businesses can succeed in China but they shouldn't be seduced into believing there aren't any risks, says a Canadian trade specialist.

Erin Wilkinson, exporting co-ordinator at Alberta's Business Link, says there is a lot of hype these days about outsourcing opportunities in China but often the risks can be greater than in other developing markets such as Mexico.

"When you get something cheap, there is often a reason for it," she cautioned participants at the FITT national conference in Vancouver.

Wilkinson cited the recent recall of pet food in Canada and the United States after the discovery of contaminated ingredients. The source of the contamination came from China where, she says, there are often different standards of manufacturing and quality control.

Small businesses therefore need to go into China with their eyes open and be well briefed. They need a good business plan and articulate that plan to potential partners. They must also assess doing business with China to ensure their cost savings will outweigh the risks.

"Entrepreneurs are very successful about their products and services but they are often not very good at communications and planning," she says.

When outsourcing to China, SMEs need to communicate their special requirements and standards, and ensure adequate methods of quality control locally. But it doesn't stop there: they also need to consider protection of their ideas and patents.

"Anytime you go abroad, you risk your intellectual property by outsourcing a product," Wilkinson says. "It's an issue we always have to be aware of in doing business anywhere in the world."

Be prepared before you leap into China, says one trade expert.

Wilkinson says some companies protect their intellectual property by outsourcing different processes to different companies to ensure that no one person outside their organisation is exposed to the whole process. Of course, doing this can also increase costs and logistical problems.

Despite the risks, there are lots of ways to ensure success in China, says Wilkinson. And help is always available from trade officials with the Government of Canada and provincial governments.

For more information, go to www.exportlink.ca or www.infoexport.gc.ca.

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Canadian music industry heads across the pond

Canadians are looking to fill British ipods with as much homegrown music as possible when they organize "Canadian Blast in the U.K.," a project to put Canadian talent in the spotlight before one of the biggest and most sophisticated music markets in the world.

"Building on successes at North America's largest music industry event, South by SouthWest, we are preparing to blast the British with new Canadian music," quips Nicki Dewar, a Canada-based trade official who is part of the team organizing this project.

The goal of this project is to increase opportunities for Canada's independent music and sound recording industry, and Jeffrey Crossman of the Canadian High Commission in London says it's the perfect place to do it.

"The U.K. may be small, but it's the world's third-largest music market, after the U.S. and Japan," he says. Crossman and Dewar are cultural trade commissioners with Heritage Canada's Trade Routes Programme, a network of export professionals in Canada and around the world.

"The U.K. music-buying public is savvy and has a big influence on international music tastes and trends. It is a very attractive market for the Canadian music and sound recording industry," adds Crossman.

The U.K. enjoys sophisticated media channels, established festival circuits, a healthy independent label industry, strong government support, trade associations, world industry leaders—all complemented by an audience that also support non-mainstream music choices.

Success there could have a major impact on Canada's music and sound recording industry, which employs over 16,000 people in a worldwide market worth over $23 billion.

Canadian artists are already getting a lot of attention in the U.K.

Canada will figure prominently on the cover of the May edition of NME, the U.K. music industry bible, with a Canadian Blast CD sampler of homegrown talent.

"Every so often, a city or country inexplicably comes alive and spews forth a whole load of great new music," says James Jam, New Music Editor with NME. "Now, all ears are on Canada. From the jittery art punk of Tokyo Police Club, to the glorious gloom of The Besnard Lakes, to agitated noise of Holy F*ck and the croon of Patrick Watson, Canadian Blast is your definitive taster of one of the most exciting new music scenes in the world."

A music fan gets an early start at the Glastonbury Festival as thousands camp out to get in before the rush of 160,000 fans.

Following the CD launch is The Great Escape (May 17-19), a major U.K. industry trade show in Brighton, which will see nine Canadian acts showcased, including Francophone rockers Les Breastfeeders, a sextet that has had critics and fans singing their praises since their debut in 1999.

Montreal's indie phenomenon, The Arcade Fire, which was recently dubbed by *Time* magazine as Canada's most intriguing rock band, is headlining a record line-up of ten of Canada's hottest musical talents at Glastonbury (June 22-24), the U.K.'s largest and most important music festival. Revered by music lovers and attended by some 160,000 people, Glastonbury usually sells out in 90 minutes.

"Everything changed after Arcade Fire," says Martin Elbourne of the Glastonbury Festival. "Before them, if a band got a good review, there would be some joke about them coming from Canada. Afterwards, all of them (reviews) state...another good band from Canada."

See page 6 - Canadian music industry

Big trade fairs in Middle East

Dubai, November 25-29, 2007 > The **BIG 5**, which combines five major exhibitions under one roof, is the Middle East's biggest building materials and water technology show.

The market in the Middle East for construction products and services is worth over $700 billion, with opportunities in infrastructure development and massive commercial, residential, leisure and institutional projects. Products enjoying exceptional growth include building materials, water technology, air conditioning, glass and metal and cleaning and maintenance.

"Financed by the region's vast oil and gas wealth, these initiatives are fuelled by very large increases in population and tourism," says Sanaam Shahani, a trade commissioner with the Canadian Consulate in Dubai.

"Because these markets import much of their requirements, Canadian suppliers are in big demand," says Shahani. "This fair is an ideal venue to meet distributors, specifiers and buyers from Gulf countries and beyond. The event is also attended by leading developers, architects and engineers."

Two shows to take in

Canada will also have a pavilion at the **Middle East Construction Showcase for Plant Machinery, Vehicles and Equipment**, which will be held concurrently with the **Big 5**.

"The construction industry's rapid growth in the region has meant high demand for plant and construction vehicles, machinery and equipment—creating unrivalled commercial opportunities for suppliers of these products too," says the trade commissioner.

Shahani says opportunities in the Middle East are plentiful in many sectors and cites a recent Export Development Canada

announcement that the United Arab Emirates and Saudi Arabia are ranked among the top five export growth markets for Canadian suppliers.

More than 45,000 visitors and 2,000 exhibitors are expected to attend these two shows this year and more than 60% of the attendees come from outside the United Arab Emirates, including Saudi Arabia, India, Egypt and Pakistan.

Canadians do not require a visa for the United Arab Emirates, which is considered a safe travel destination. Note that space in the Canadian pavilions will be allocated on a first-come, first-served basis.

For more information on these fairs, contact Terry Gain, Show Agent, email: terry.gain@interlog.com, tel.: (416) 932-1173, or Sanam Shahani, Canadian Consulate in Dubai, email: sanam.shahani@international.gc.ca, websites: www.thebig5exhibition.com and www.big5pmv.com. ◂

Fill up on japan's thirst for biofuels

Yokohama, July 11-13, 2007 > Canadian companies looking to explore opportunities in Japan's growing biofuel market may want to be part of the Canadian pavilion at **Bio Fuels World 2007**, the country's first conference and exhibition of its kind.

Stimulated by government policies to meet Kyoto targets, the Japanese oil industry has set an ambitious objective of replacing 20% of the country's gasoline consumption—the third largest in the world after the U.S. and China—with biofuel blends by 2010.

Biofuels are produced from dry organic matter or combustible oils produced by plants.

"To meet future biofuel demand, important investments will be necessary to increase production capacity not only in Japan but also in the rest of Asia where abundant sources of biomass exist," says Christian Hallé, a trade commissioner with the Canadian Embassy in Japan.

"This should create business opportunities for foreign companies with commercially viable technologies."

The value of Japan's market for bioethanol and biodiesel-related technologies alone was estimated at $50 million in 2005 and is expected to increase six-fold to $322 million by 2012.

For more information, contact Christian Hallé, Canadian Embassy in Japan, tel.: (011-81-3) 5412-6242, fax: (011-81-3) 5412-6250, website: www.biofuels.co.jp. ◂

Smooth takeoff for Paris Air Show

Paris, June 18-24, 2007 > Attending the biennial **Paris Air Show** has become a must for Canadians in the space and aeronautics industries.

According to show organizers, manufacturers such as Airbus and Boeing will be subcontracting most of their production in the future, so it's important for Canadian subcontractors at all levels of the supply chain to promote their expertise.

This year's Canadian pavilion, organized by the Government of Canada, will give exhibitors the chance to introduce their latest innovations and technologies. As well, a kiosk designed to showcase the Canadian aeronautics industry will support entrepreneurs in their business development efforts.

In total, over 100 Canadian trade participants are expected this year.

In advance of the show, trade officials have already helped Canadian entrepreneurs to develop their business and network with leading suppliers in the major aeronautics programs such as the future Airbus A350XWB project.

Some 20 Canadian small and medium-sized enterprises presented their capabilities to a panel made up of buyers, heads of engineering firms and industrial partners of European aircraft manufacturers. Airbus has identified six Canadian companies for further consultations.

The **Paris Air Show** brings together more than 2,000 exhibitors from some 40 countries. The previous edition of the Paris Air Show attracted over 1,900 exhibitors and close to 225,000 visitors from the space and aeronautics sectors.

For more information, go to www.paris-air-show.com, or contact Guy Ladequis, Canadian Embassy in Paris, email: guy.ladequis@international.gc.ca. ◂

Canada returns to Norwegian aquaculture fair

Trondheim, August 14-17, 2007 > Building on the gains made from the profile as the featured country two years ago, Canada has big plans to showcase its aquaculture industry again at Aqua Nor, one of the world's major fairs for fish and shellfish farming.

In addition to a Canadian pavilion, which will feature Canadian expertise and technologies,

Canada will take part in a matchmaking event to connect buyers and sellers. Also, Canadian speakers can participate in panel discussions on innovation in technology in offshore and land-based aquaculture, as well as on developments in the logistics and husbandry of fish and shellfish farming.

Some 600 manufacturers and suppliers from all over the world are expected to exhibit this year. All business sectors related to the aquaculture industry will be showcased, from aquaculture technology, fish feed and health to research, processing, packaging, distribution, and quality assurance.

Canadian entrepreneurs from all coasts are encouraged to participate. The Atlantic region will be strongly represented with a delegation of some 20 companies, led by the Atlantic Canada Opportunities Agency and the Newfoundland Aquaculture Industry Association.

For more information, contact Alanna Zulkifli, Canadian Embassy in Norway, tel.: (011-47-22) 99-53-32, email: alanna.zulkilfi@international.gc.ca, website: www.aqua-nor.no. ◂

Canadian music industry - continued from page 3

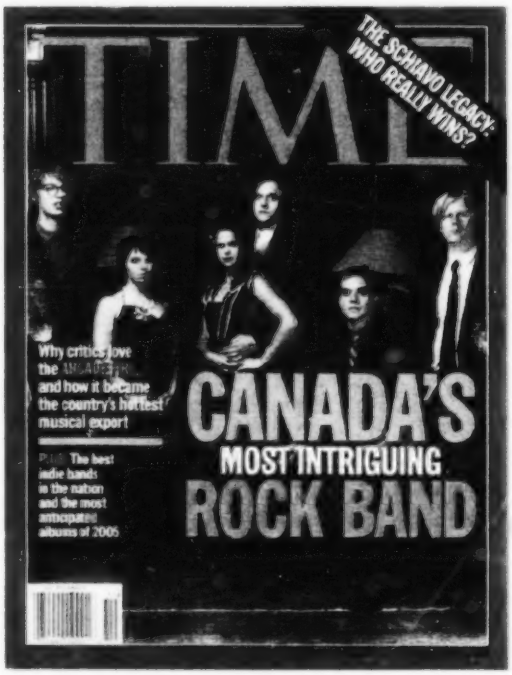
After Glastonbury, Canada Day in Trafalgar Square is expected to draw more than 35,000 fans and will be headlined by the Juno Award Winning Sam Roberts Band, and includes at least seven other Canadian bands.

Behind the scenes at all these events, Canadian publicists, managers, labels, trade commissioners and industry representatives will be forging new relationships and closing deals.

"Building relationships and doing business internationally has become especially important," says Donna Murphy of the Canadian Independent Record Production Association, a group that represents independent Canadian music companies.

"Our companies need to reach international markets. A project like Canadian Blast in the U.K. provides fantastic opportunities to get out there and be seen," adds Murphy.

For more information, go to www.canadianblast.com. ◂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MOST INTRIGUING
ROCK BAND

Don't get lost in translation

Canadian entrepreneurs know communication is the key to building successful business relationships.

But working abroad in different cultures and languages adds many more complications, particularly when it comes to communicating.

That's why interpreters and translators can play a critical role assisting entrepreneurs with the delivery of key information to prospective customers and clients.

But not all interpreters and translators are created equal. Canadian entrepreneurs should be aware that interpreters and translators fulfil different roles in different cultures.

For example, an interpreter in North America or Europe is expected to relay unbiased accounts of the information to an audience. In Japan, however, an interpreter will translate the language and quite likely interpret gestures, context and meanings for those in attendance.

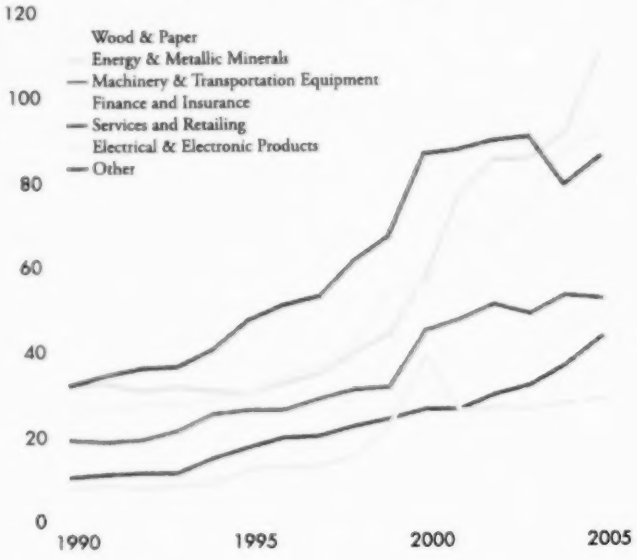
Entrepreneurs doing business abroad should enlist the services of an experienced, fluent translator or interpreter who is immersed in the culture of the target market. Working as a team, the business person and the interpreter can review the text, presentation or other materials used to communicate the product or service to ensure that there will be no difficulties with background information, technical terms or potentially ambiguous messages that might land you in hot water.

For more information on working with translators and interpreters, go to the Cross Cultural Marketing Edge website and log on to www.exportsource.ca or call the toll-free Export Information Service at 1 888 811-1119 for a wealth of information on exporting your goods or services. ◂

Canada's foreign direct investment continues to grow

Foreign direct investment in Canada has increased substantially in the past decade, growing at an average annual rate of 9.6% from 1996 to 2005 to reach $415.6 billion by 2005. (In our calculations, retained earnings are treated as net inflows in foreign direct investment statistics.) This rise has been driven by strong growth in a number of sectors: the energy and metallic minerals industries accounted for 32.8% of the $233.4 billion increase since 1996, while finance and insurance accounted for 23.8% and "other" 21.1%. The "other" industry category, however, has flattened out recently, primarily because it includes the food, beverage and tobacco industries, in which direct investment has decreased in recent years. Foreign direct investment in electrical and electronic products also grew rapidly until 2000, but has levelled off since then. Given continuing competition in attracting foreign direct investment and the importance of it for integration into global supply chains, Canada's growth may be a good sign. ◂

Total Foreign Direct Investment in Canada by Industry (position, millions CAD$)



Data: Statistics Canada

Provided by the Office of the Chief Economist, Foreign Affairs and International Trade Canada (www.international.gc.ca/eet)

AEROSPACE & DEFENCE

Hong Kong, September 3-6, 2007 > The **Asian Aerospace International Expo** and Congress is an international commercial aerospace event and can help Canadian businesses in this sector to do business with major aviation buyers in the Asia-Pacific and provide a platform to exchange knowledge on leading technology and best business practices.
Contact: Stéphanie Berlet, Foreign Affairs and International Trade Canada, email: stephanie.berlet@international.gc.ca, or Reed Exhibitions Ltd (Hong Kong), tel.: (011-852) 2824-0330, website: www.asianaerospace.com.

ARTS & CULTURAL INDUSTRIES

Providence, September 28-30, 2007 > Read up on new business opportunities at the **New England Independent Booksellers Association's Conference and Trade Show**. This event provides a forum for new titles and the exchange of information about bookselling and books. Booksellers from New England and New York attend, as do publishers from all across the U.S.
Contact: Christine Sarkisian, Canadian Consulate General in Boston, tel.: (617) 262-3760, email: boston.commerce@international.gc.ca, website: www.newenglandbooks.org.

CONSUMER PRODUCTS

São Paulo, September 11-14 > Generate business opportunities at **Equipotel 2007**, an international fair that brings together suppliers and buyers from the hospitality and catering sector.
Contact: Susan Cesar, Canadian Embassy in Brazil, tel.: (011-55-61) 3424-5400, fax: (011-55-61) 3424-5492, email: susan.cesar@international.gc.ca, website: www.equipotel.com.br.

FISH & SEAFOOD PRODUCTS

Cape Town, November 24-26, 2007 > Fish Africa and Aquaculture Africa is southern Africa's leading event for the commercial fishing and aquaculture industries. It is colocated with Maritime Africa, which includes shipbuilding and repairs, marine equipment, paints and coatings.
Contact: Brennen Young, Canadian High Commission in Johannesburg, tel.: (011-27-11) 442-3130, email: jobrg@international.gc.ca, website: www.fishafrica.net.

ICT

Munich, October 23-26, 2007 > Systems 2007 is the leading business-to-business event for information technology, telecommunication and new media in Munich, one of the most important high-tech and media centres in Europe.
Contact: Brigitte Mertens, Munich International Trade Fairs Canada, tel.: (416) 237-9939, email: bmertens@canada-unlimited.com, website: www.canada-unlimited.com and www.systems.de.

OCEAN TECHNOLOGIES

Johannesburg, August 15-17, 2007 > Sustain 2007 is South Africa's major environmental management and sustainable development exhibition. Companies from around the world will display technologies, products and services that contribute to protecting the environment while reducing energy consumption and supporting sustainable economic development.
Contact: Brennen Young, Canadian High Commission in Johannesburg, tel.: (011-27-11) 442-3130, email: jobrg@international.gc.ca, website: www.sustainex.co.za. ◂

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